

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-03

INR-11 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-03 LAB-06 SIL-01 OMB-01 NSC-07 SS-20 STR-08

CEA-02 DRC-01 /138 W

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R 081853Z AUG 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 9740

LIMITED OFFICIAL USE SANTIAGO 4729

E.O. 11652: N/A

TAGS: EFIN, CI

SUBJECT: CHILE'S BALANCE OF PAYMENTS

REF: (A) STATE 167674; (B) SANTIAGO 4511

1. FYI: JOSE LUIS ZABALA OF CENTRAL BANK HAS CLARIFIED
ISSUE OF 1974 NET OFFICIAL BORROWING CEILING. HE SAYS GOC
INFORMALLY RAISED THIS WITH SANSON NOT LONG AGO. CHILEANS
WERE TOLD THAT OFFICIAL FUND AGREEMENT TO HIGHER CEILING WOULD
REQUIRE EXECUTIVE BOARD APPROVAL. THIS WOULD INVOLVE EXTENSIVE
CHILEAN DOCUMENTATION TO SUPPORT THEIR REQUEST. ACCORDING
ZABALA, GOC TOLD SANSON THEY DID NOT WANT TO GO FORMAL ROUTE.
SANSON IS THEN REPORTED TO HAVE AGREED THAT FUND STAFF WOULD
NOT GET UPSET IF CHILE BORROWED UP TO \$250 MILLION (1-15 YEARS)
IN 1974. END FYI

2. ZABALA TELLS US THAT APPROXIMATELY \$60 MILLION CASH PAID
ANACONDA IN RECENT SETTLEMENT WAS FROM CENTRAL BANK RESOURCES.
GOC EXPECTS SIGN SOON LOAN AGREEMENT WITH US BANKING
CONSORTIUM FOR APPROXIMATELY EQUAL AMOUNT. THIS ASSUMEDLY
WOULD FALL IN 1-15 YEAR RANGE. ZABALA CONTENDS THAT NEED TO
EXCEED \$180 MILLION IMF CEILING RELATED TO REGULARIZATION OF
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CERTAIN CHILEAN DEBT OBLIGATIONS RATHER THAN ANY GOC

DESIRE TO IMPORT MORE CONSUMER OR CAPITAL GOODS.

3. ACTION REQUESTED: WOULD APPRECIATE DEPARTMENT DIS-
CUSSING PARA 1 WITH SANSON WHEN HE RETURNS FROM HOME LEAVE.
REQUEST KOENIG NOT REPEAT NOT BE TOLD OF SANSON'S ALLEGED
AGREEMENT ON DEBT CEILING.
POPPER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DRAWING RIGHTS AGREEMENTS, BALANCE OF PAYMENTS, LOAN AGREEMENTS, DEBT AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANTIA04729
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740217-0766
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740864/aaaaccmk.tel
Line Count: 68
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) STATE 167674; (B) SANTIAGO 4511
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 10 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 SEP 2002 by boyleja>; APPROVED <20 FEB 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CHILE'S BALANCE OF PAYMENTS
TAGS: EFIN, CI
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005